

REPORT - LBR09

SOUTHWESTERN BELL TELEPHONE COMPANY

PAGE: 1

STATE-OKLAHOMA

1992 LOADED HOURLY LABOR COSTS

DATE: Jan 11, 1993

GM-DIST SVCS-OK

RC- S50240000

LEVEL: 1-1

FUNCTION ELEMENT - M9J2

1. AVERAGE WAGE PER HOUR	(A)	\$ 21.44	
2. WAGE INCREASE	LN1 X 0.0292 (B)	0.63	
3. CURRENT WAGES	LN1 + LN2	22.07	
4. PAID ABSENCE	LN3 X 0.1450(C)	3.20	
5. PREMIUM TIME	LN3 X 0.0713(C)	1.57	
6. EFFECTIVE WAGE	LN3 + LN4 + LN5	26.84	
7. SOCIAL SECURITY	LN6 X 0.0765(D)	2.05	
8. RELIEF & PENSIONS	LN6 X 0.1959(D)	5.26	
9. FLOOR SPACE	LN6 X 0.0595(E)	1.60	
10. OTHER EXPENSES	LN6 X 0.0323(F)	0.87	
11. EMPLOYEE COSTS	LN6 + LN7 + LN8 + LN9 + LN10	\$ 36.61	
*** DIRECTLY ASSIGNED LOADINGS ***		w/o	with
12. SECRETARIAL SUPPORT	LN11 X 0.0018(G)	0.07	-0.07
13. SUPERVISION OF NEXT LEVEL	(LN11 + LN12) X 0.1619(G)		5.94
14. DIRECTLY ASSIGNED LABOR COST	LN11 + LN12 + LN13	\$ 36.68	42.62

REPORT - LBR09

SOUTHWESTERN BELL TELEPHONE COMPANY

PAGE: 1

STATE-OKLAHOMA

1992 LOADED HOURLY LABOR COSTS

DATE: Aug 25, 1992

GM-DIST SVCS-OK

RC- S50240000

LEVEL: Craft1

FUNCTION ELEMENT - M9J2

1. AVERAGE WAGE PER HOUR	(A)	\$ 16.62	
2. WAGE INCREASE	LN1 X 0.0133 (B)	0.22	
2a. BREAK TIME/TOUR LENGTH	(LN1 + LN2) X 0.0667(B)	1.12	
3. CURRENT WAGES	LN1 + LN2	17.96	
4. PAID ABSENCE	LN3 X 0.1450(C)	2.60	
5. PREMIUM TIME	LN3 X 0.0713(C)	1.28	
6. EFFECTIVE WAGE	LN3 + LN4 + LN5	21.85	
7. SOCIAL SECURITY	LN6 X 0.0765(D)	1.67	
8. RELIEF & PENSIONS	LN6 X 0.2238(D)	4.89	
9. FLOOR SPACE	LN6 X 0.0738(E)	1.61	
10. OTHER EXPENSES	LN6 X 0.0323(F)	0.71	
11. EMPLOYEE COSTS	LN6 + LN7 + LN8 + LN9 + LN10	\$ 30.73	
*** DIRECTLY ASSIGNED LOADINGS ***		w/o	with
12. SECRETARIAL SUPPORT	LN11 X 0.0018(G)	0.06	0.06
13. SUPERVISION OF NEXT LEVEL	(LN11 + LN12) X 0.1837(G)		5.65
14. DIRECTLY ASSIGNED LABOR COST	LN11 + LN12 + LN13	\$ 30.78	36.44

REPORT - LBR09

SOUTHWESTERN BELL TELEPHONE COMPANY

PAGE: 1

STATE-OKLAHOMA

1992 LOADED HOURLY LABOR COSTS

DATE: Oct 19, 1992

GM-DIST SVCS-OK

RC- S50230000

LEVEL: 1-1

FUNCTION ELEMENT - MFA2

1. AVERAGE WAGE PER HOUR	(A)	\$ 21.44	
2. WAGE INCREASE	LN1 X 0.0292 (B)	0.63	
3. CURRENT WAGES	LN1 + LN2	22.07	
4. PAID ABSENCE	LN3 X 0.1521(C)	3.36	
5. PREMIUM TIME	LN3 X 0.0732(C)	1.61	
6. EFFECTIVE WAGE	LN3 + LN4 + LN5	27.04	
7. SOCIAL SECURITY	LN6 X 0.0765(D)	2.07	
8. RELIEF & PENSIONS	LN6 X 0.2042(D)	5.52	
9. FLOOR SPACE	LN6 X 0.0738(E)	2.00	
10. OTHER EXPENSES	LN6 X 0.0433(F)	1.17	
11. EMPLOYEE COSTS	LN6 + LN7 + LN8 + LN9 + LN10	\$ 37.79	
*** DIRECTLY ASSIGNED LOADINGS ***		w/o	with
12. SECRETARIAL SUPPORT	LN11 X 0.0016(G)	0.06	0.06
13. SUPERVISION OF NEXT LEVEL	(LN11 + LN12) X 0.1525(G)	5.77	
14. DIRECTLY ASSIGNED LABOR COST	LN11 + LN12 + LN13	\$ 37.85	43.62

REPORT - LBR09

SOUTHWESTERN BELL TELEPHONE COMPANY

PAGE: 1

STATE-OKLAHOMA

1992 LOADED HOURLY LABOR COSTS

DATE: Aug 19, 1992

DIVISION MGR NTWK

RC- S50240000

LEVEL: 2-1

FUNCTION ELEMENT - MFA2

1. AVERAGE WAGE PER HOUR	(A)	\$	27.39
2. WAGE INCREASE	LN1 X 0.0292 (B)		0.80
3. CURRENT WAGES	LN1 + LN2		28.19
4. PAID ABSENCE	LN3 X 0.1521(C)		4.29
5. PREMIUM TIME	LN3 X 0.0732(C)		2.06
6. EFFECTIVE WAGE	LN3 + LN4 + LN5		34.54
7. SOCIAL SECURITY	LN6 X 0.0695(D)		2.40
8. RELIEF & PENSIONS	LN6 X 0.1745(D)		6.03
9. FLOOR SPACE	LN6 X 0.0738(E)		2.55
10. OTHER EXPENSES	LN6 X 0.0433(F)		1.50
11. EMPLOYEE COSTS	LN6 + LN7 + LN8 + LN9 + LN10	\$	47.01
*** DIRECTLY ASSIGNED LOADINGS ***		w/o	with
12. SECRETARIAL SUPPORT	LN11 X 0.0018(G)	0.08	0.08
13. SUPERVISION OF NEXT LEVEL	(LN11 + LN12) X 0.1211(G)		5.70
14. DIRECTLY ASSIGNED LABOR COST	LN11 + LN12 + LN13	\$	47.10
			52.80

REPORT - LBR09

SOUTHWESTERN BELL TELEPHONE COMPANY

PAGE:

STATE-OKLAHOMA

1992 LOADED HOURLY LABOR COSTS

DATE: Jun 15, 199.

GM-MKTG-OK

RC- S50700000

LEVEL: Svc Rep

FUNCTION ELEMENT - 21A1

JCS

1. AVERAGE WAGE PER HOUR	(A)	\$ 13.08	
2. WAGE INCREASE	LN1 X 0.0133 (B)	0.17	
2a. BREAK TIME/TOUR LENGTH	(LN1 + LN2) X 0.0667(B)	0.88	
3. CURRENT WAGES	LN1 + LN2	14.14	
4. PAID ABSENCE	LN3 X 0.1618(C)	2.29	
5. PREMIUM TIME	LN3 X 0.0647(C)	0.91	
6. EFFECTIVE WAGE	LN3 + LN4 + LN5	17.34	
7. SOCIAL SECURITY	LN6 X 0.0765(D)	1.33	
8. RELIEF & PENSIONS	LN6 X 0.2238(D)	3.88	
9. FLOOR SPACE	LN6 X 0.0738(E)	1.28	
10. OTHER EXPENSES	LN6 X 0.0500(F)	0.87	
11. EMPLOYEE COSTS	LN6 + LN7 + LN8 + LN9 + LN10	\$ 24.69	
*** DIRECTLY ASSIGNED LOADINGS ***		w/o	with
12. SECRETARIAL SUPPORT	LN11 X 0.0000(G)	0.00	0.00
13. SUPERVISION OF NEXT LEVEL	(LN11 + LN12) X 0.1209(G)		2.99
14. DIRECTLY ASSIGNED LABOR COST	LN11 + LN12 + LN13	\$ 24.69	27.68

STATE-OKLAHOMA

1992 LOADED HOURLY LABOR COSTS

DATE: Aug 20, 1992

GM-MKTG-OK

RC- S50700000

LEVEL: SS-1 *WOSC*

FUNCTION ELEMENT - 21A1

1. AVERAGE WAGE PER HOUR	(A)	\$ 12.19	
2. WAGE INCREASE	LN1 X 0.0133 (B)	0.16	
2a. BREAK TIME/TOUR LENGTH	(LN1 + LN2) X 0.0667(B)	0.82	
3. CURRENT WAGES	LN1 + LN2	13.18	
4. PAID ABSENCE	LN3 X 0.1618(C)	2.13	
5. PREMIUM TIME	LN3 X 0.0647(C)	0.85	
6. EFFECTIVE WAGE	LN3 + LN4 + LN5	16.16	
7. SOCIAL SECURITY	LN6 X 0.0765(D)	1.24	
8. RELIEF & PENSIONS	LN6 X 0.2238(D)	3.62	
9. FLOOR SPACE	LN6 X 0.0738(E)	1.19	
10. OTHER EXPENSES	LN6 X 0.0500(F)	0.81	
11. EMPLOYEE COSTS	LN6 + LN7 + LN8 + LN9 + LN10	\$ 23.01	
*** DIRECTLY ASSIGNED LOADINGS ***		w/o	with
12. SECRETARIAL SUPPORT	LN11 X 0.0000(G)	0.00	0.00
13. SUPERVISION OF NEXT LEVEL	(LN11 + LN12) X 0.1209(G)		2.78
14. DIRECTLY ASSIGNED LABOR COST	LN11 + LN12 + LN13	\$ 23.01	25.79

STATE-TEXAS

1992 LOADED HOURLY LABOR COSTS

DATE: Aug 20, 1992

GM-NTWK ENGRG-TX

RC- S87500000

LEVEL: 1-1

FUNCTION ELEMENT - MFA2

1. AVERAGE WAGE PER HOUR	(A)	\$ 21.53	
2. WAGE INCREASE	LN1 X 0.0292 (B)	0.63	
3. CURRENT WAGES	LN1 + LN2	22.16	
4. PAID ABSENCE	LN3 X 0.1506(C)	3.34	
5. PREMIUM TIME	LN3 X 0.0884(C)	1.96	
6. EFFECTIVE WAGE	LN3 + LN4 + LN5	27.46	
7. SOCIAL SECURITY	LN6 X 0.0765(D)	2.10	
8. RELIEF & PENSIONS	LN6 X 0.1995(D)	5.48	
9. FLOOR SPACE	LN6 X 0.1014(E)	2.78	
10. OTHER EXPENSES	LN6 X 0.0284(F)	0.78	
11. EMPLOYEE COSTS	LN6 + LN7 + LN8 + LN9 + LN10	\$ 38.60	
*** DIRECTLY ASSIGNED LOADINGS ***		w/o	with
12. SECRETARIAL SUPPORT	LN11 X 0.0030(G)	0.12	0.12
13. SUPERVISION OF NEXT LEVEL	(LN11 + LN12) X 0.1869(G)		7.24
14. DIRECTLY ASSIGNED LABOR COST	LN11 + LN12 + LN13	\$ 38.71	45.95

STATE-TEXAS

1992 LOADED HOURLY LABOR COSTS

DATE: Aug 24, 1992

GM-NTWK ENGRG-TX

RC- S87500000

LEVEL: 1-1

FUNCTION ELEMENT - M9J2

1. AVERAGE WAGE PER HOUR	(A)	\$ 21.53	
2. WAGE INCREASE	LN1 X 0.0292 (B)	0.63	
3. CURRENT WAGES	LN1 + LN2	22.16	
4. PAID ABSENCE	LN3 X 0.1460(C)	3.24	
5. PREMIUM TIME	LN3 X 0.0486(C)	1.08	
6. EFFECTIVE WAGE	LN3 + LN4 + LN5	26.47	
7. SOCIAL SECURITY	LN6 X 0.0765(D)	2.03	
8. RELIEF & PENSIONS	LN6 X 0.1995(D)	5.28	
9. FLOOR SPACE	LN6 X 0.1014(E)	2.68	
10. OTHER EXPENSES	LN6 X 0.0187(F)	0.50	
11. EMPLOYEE COSTS	LN6 + LN7 + LN8 + LN9 + LN10	\$ 36.96	
*** DIRECTLY ASSIGNED LOADINGS ***		w/o	with
12. SECRETARIAL SUPPORT	LN11 X 0.0030(G)	0.11	0.11
13. SUPERVISION OF NEXT LEVEL	(LN11 + LN12) X 0.1869(G)		6.93
14. DIRECTLY ASSIGNED LABOR COST	LN11 + LN12 + LN13	\$ 37.07	44.00

STATE-TEXAS

1992 LOADED HOURLY LABOR COSTS

DATE: Aug 24, 1992

GM-NTWK ENGRG-TX

RC- S87500000

LEVEL: Craft 1

FUNCTION ELEMENT - M9J2

1. AVERAGE WAGE PER HOUR	(A)	\$ 16.73	
2. WAGE INCREASE	LN1 X 0.0133 (B)	0.22	
2a. BREAK TIME/TOUR LENGTH	(LN1 + LN2) X 0.0667(B)	1.13	
3. CURRENT WAGES	LN1 + LN2	18.08	
4. PAID ABSENCE	LN3 X 0.1460(C)	2.64	
5. PREMIUM TIME	LN3 X 0.0486(C)	0.88	
6. EFFECTIVE WAGE	LN3 + LN4 + LN5	21.60	
7. SOCIAL SECURITY	LN6 X 0.0765(D)	1.65	
8. RELIEF & PENSIONS	LN6 X 0.2072(D)	4.48	
9. FLOOR SPACE	LN6 X 0.1014(E)	2.19	
10. OTHER EXPENSES	LN6 X 0.0187(F)	0.40	
11. EMPLOYEE COSTS	LN6 + LN7 + LN8 + LN9 + LN10	\$ 30.33	
*** DIRECTLY ASSIGNED LOADINGS ***		w/o	with
12. SECRETARIAL SUPPORT	LN11 X 0.0030(G)	0.09	0.09
13. SUPERVISION OF NEXT LEVEL	(LN11 + LN12) X 0.1654(G)		5.03
14. DIRECTLY ASSIGNED LABOR COST	LN11 + LN12 + LN13	\$ 30.42	35.45

STATE-TEXAS

1992 LOADED HOURLY LABOR COSTS

DATE: Sep 2, 1992

VP-NTWK DIST SVCS-TX

RC- S82000000

LEVEL: 1-1

FUNCTION ELEMENT - MFA2

1. AVERAGE WAGE PER HOUR	(A)	\$ 21.53	
2. WAGE INCREASE	LN1 X 0.0292 (B)	0.63	
3. CURRENT WAGES	LN1 + LN2	22.16	
4. PAID ABSENCE	LN3 X 0.1482(C)	3.28	
5. PREMIUM TIME	LN3 X 0.0770(C)	1.71	
6. EFFECTIVE WAGE	LN3 + LN4 + LN5	27.15	
7. SOCIAL SECURITY	LN6 X 0.0765(D)	2.08	
8. RELIEF & PENSIONS	LN6 X 0.1995(D)	5.42	
9. FLOOR SPACE	LN6 X 0.1014(E)	2.75	
10. OTHER EXPENSES	LN6 X 0.0273(F)	0.74	
11. EMPLOYEE COSTS	LN6 + LN7 + LN8 + LN9 + LN10	\$ 38.14	
*** DIRECTLY ASSIGNED LOADINGS ***		w/o	with
12. SECRETARIAL SUPPORT	LN11 X 0.0019(G)	0.07	0.07
13. SUPERVISION OF NEXT LEVEL	(LN11 + LN12) X 0.1515(G)		5.79
14. DIRECTLY ASSIGNED LABOR COST	LN11 + LN12 + LN13	\$ 38.21	44.00

STATE-TEXAS

1992 LOADED HOURLY LABOR COSTS

DATE: Sep 2, 1992

GM-NTWK ENGRG-TX

RC- S87500000

LEVEL: 2-1

FUNCTION ELEMENT - MFA2

1. AVERAGE WAGE PER HOUR	(A)	\$ 27.77	
2. WAGE INCREASE	LN1 X 0.0292 (B)	0.81	
3. CURRENT WAGES	LN1 + LN2	28.58	
4. PAID ABSENCE	LN3 X 0.1506(C)	4.31	
5. PREMIUM TIME	LN3 X 0.0884(C)	2.53	
6. EFFECTIVE WAGE	LN3 + LN4 + LN5	35.41	
7. SOCIAL SECURITY	LN6 X 0.0680(D)	2.41	
8. RELIEF & PENSIONS	LN6 X 0.1708(D)	6.05	
9. FLOOR SPACE	LN6 X 0.1014(E)	3.59	
10. OTHER EXPENSES	LN6 X 0.0284(F)	1.01	
11. EMPLOYEE COSTS	LN6 + LN7 + LN8 + LN9 + LN10	\$ 48.47	
*** DIRECTLY ASSIGNED LOADINGS ***		w/o	with
12. SECRETARIAL SUPPORT	LN11 X 0.0030(G)	0.15	0.15
13. SUPERVISION OF NEXT LEVEL	(LN11 + LN12) X 0.1190(G)		5.78
14. DIRECTLY ASSIGNED LABOR COST	LN11 + LN12 + LN13	\$ 48.61	54.40

STATE-TEXAS

1992 LOADED HOURLY LABOR COSTS

DATE: Aug 18, 1992

GM-MKTG SA-TX

RC- S85500000

LEVEL: SS-2

FUNCTION ELEMENT - 21A1

1. AVERAGE WAGE PER HOUR	(A)	\$ 12.62	
2. WAGE INCREASE	LN1 X 0.0133 (B)	0.17	
2a. BREAK TIME/TOUR LENGTH	(LN1 + LN2) X 0.0667(B)	0.85	
3. CURRENT WAGES	LN1 + LN2	13.64	
4. PAID ABSENCE	LN3 X 0.1695(C)	2.31	
5. PREMIUM TIME	LN3 X 0.0450(C)	0.61	
6. EFFECTIVE WAGE	LN3 + LN4 + LN5	16.57	
7. SOCIAL SECURITY	LN6 X 0.0765(D)	1.27	
8. RELIEF & PENSIONS	LN6 X 0.2072(D)	3.43	
9. FLOOR SPACE	LN6 X 0.1014(E)	1.68	
10. OTHER EXPENSES	LN6 X 0.0292(F)	0.48	
11. EMPLOYEE COSTS	LN6 + LN7 + LN8 + LN9 + LN10	\$ 23.43	
*** DIRECTLY ASSIGNED LOADINGS ***		w/o	with
12. SECRETARIAL SUPPORT	LN11 X 0.0000(G)	0.00	0.00
13. SUPERVISION OF NEXT LEVEL	(LN11 + LN12) X 0.1761(G)		4.13
14. DIRECTLY ASSIGNED LABOR COST	LN11 + LN12 + LN13	\$ 23.43	27.55

STATE-TEXAS

1992 LOADED HOURLY LABOR COSTS

DATE: Aug 20, 1992

GM-MKTG SA-TX

RC- S85500000

LEVEL: SS-1 ~~ICSC~~

FUNCTION ELEMENT - 21A1

1. AVERAGE WAGE PER HOUR	(A)	\$ 12.21	
2. WAGE INCREASE	LN1 X 0.0133 (B)	0.16	
2a. BREAK TIME/TOUR LENGTH	(LN1 + LN2) X 0.0667(B)	0.82	
3. CURRENT WAGES	LN1 + LN2	13.20	
4. PAID ABSENCE	LN3 X 0.1695(C)	2.24	
5. PREMIUM TIME	LN3 X 0.0450(C)	0.59	
6. EFFECTIVE WAGE	LN3 + LN4 + LN5	16.03	
7. SOCIAL SECURITY	LN6 X 0.0765(D)	1.23	
8. RELIEF & PENSIONS	LN6 X 0.2072(D)	3.32	
9. FLOOR SPACE	LN6 X 0.1014(E)	1.63	
10. OTHER EXPENSES	LN6 X 0.0292(F)	0.47	
11. EMPLOYEE COSTS	LN6 + LN7 + LN8 + LN9 + LN10	\$ 22.67	
*** DIRECTLY ASSIGNED LOADINGS ***		w/o	with
12. SECRETARIAL SUPPORT	LN11 X 0.0000(G)	0.00	0.00
13. SUPERVISION OF NEXT LEVEL	(LN11 + LN12) X 0.1761(G)		3.99
14. DIRECTLY ASSIGNED LABOR COST	LN11 + LN12 + LN13	\$ 22.67	26.66

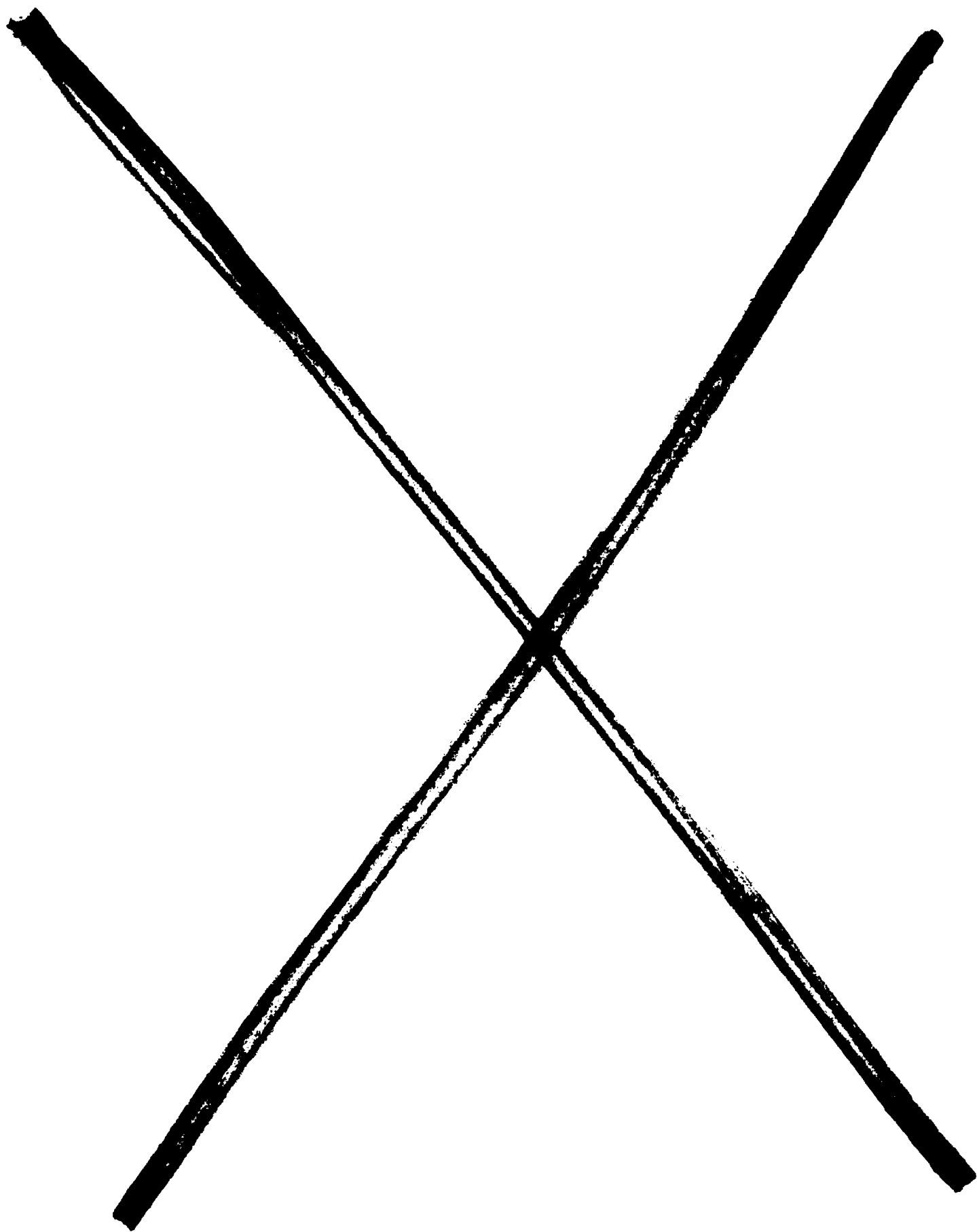
EXPANDED INTERCONNECTION ACCESS
COLLOCATION AC POWER COST STUDY
CALCULATIONS & RESULTS

Appendix 2
Exhibit #4

"EXAMPLE ONLY"
AC POWER REQUIRED TO PRODUCE 40/100 AMPS

1.	Cost Per Kilowatt (KW) (See Note #1)	\$0.07
2.	Power Plant Efficiency (See Note #2)	90%
3.	DC Volt Requirement	50
4.	AMP Requirement (Change to 40 for 40 AMPS)	100
5.	$KW = (LN3 * LN4) / (LN2 * 1000)$	5.56
6.	Kilowatt Hour Day (KWH) = (LN5 * 24)	133.33
7.	Cost Per KWH Day (LN1 * LN6)	\$9.20
8.	Number of Monthly KWH Required	30.4167
9.	MONTHLY AC POWER COST (LN7 * LN8)	\$279.83

Note #1. Based on state wide average Teleco costs.
Note #2. Based on vender provided specifications.



APPENDIX 3

SWBT's Tariffed rate elements A (Cage), B (House Electric) and Q (Tenant Accommodation Charge); and resultant FCC "functions" numbered 1, 3, 5 and 13 at page 2, supra, were all developed as outlined in Appendix 3 Exhibits A and B. Specifically, the required work was reviewed by individuals responsible for construction work in their specific areas of SWBT's five state territory. All costs are based on detailed reviews of various buildings to obtain a representative sample of the three building types described in the Building "Build-out" costs contained in Exhibit B. There were no "annual charge factors" or "carrying charge factors" added to the cost figures.

Construction costs were calculated primarily on a "prospective" basis. However, some of the costs were based on "embedded" information and costs generated by actual contractors who priced out the work from preliminary bid documents. The construction work was identified by account code. Since none of this work was intended to become part of the rate base, it was not assigned a depreciation life. A levelized inflation factor as determined by study planning period was applied to Cage and House Electric rate elements. No other factors, including "the percentage cost of money" were used in the calculations.

All nonrecurring charges for construction work include contractor labor involving the prevailing wage rate for a given area within each state. Other labor related functions include: 1) the telephone company project architect and/or engineer; 2) outside consultant's labor; and 3) the contracted construction observer's

time. These other labor functions are described in more detail in paragraph 9 of Exhibit A. They are included in every SWBT project and added to the contract construction cost for every project. Combined, these functions add 20% - 25% to the overall cost of the project depending on the scope and nature of the work.

State-specific estimates for building modifications were averaged into three company-wide estimates for each studied building size (i.e., small, medium and large).

The resulting three company-wide Tenant Accommodation Charges (TACs) were divided by the number of interconnector-provided forecasts associated with each individual wire center listed in the tariff. In those instances where the interconnector-provided forecast exceeded available capacity the cost was divided by available capacity.

Estimated costs to modify a sample 27 of the 127 wire centers listed in the tariff for physical collocation were analyzed and averaged by wire center building size to develop a TAC for each of the 127 buildings forecasted by potential interconnectors. Some of the 27 buildings used to develop the representative costs involved converting administrative space into partitioned space or cages for the interconnector. All 27 buildings were forecasted for occupancy by the interconnectors.

General Cost Estimating Methodology

To estimate building construction costs, generally the person preparing the cost estimate (the cost estimator) will proceed in the following manner.

1. A determination will be made of what the existing building conditions are; i.e., where is space available to do the construction work and what existing physical conditions are in the building, such as walls which need to be repaired, etc..

2. A determination will be made of what work is required to meet the needs of the client; i.e., what does the client want when the construction work is completed, such as a Central Office equipment environment for an interconnector's transmission equipment.

3. A general design of the proposed construction work will be prepared. Often this design will be done on a set of plans for the existing building. The proposed construction work will be sketched in on the plans.

4. The cost estimator will determine the quantities of construction work to be done. For example, how many square feet of floor tile must be replaced, how many square feet of suspended ceiling must be removed, how many face square feet of drywall partition (steel studs with gypsum board on each face) must be constructed, etc.

5. The cost estimator will determine the unit costs of construction elements needed in the construction job. For example, the cost per square foot of floor tile, the cost per square foot for removing suspended ceiling, the cost per face square foot of drywall, etc. These unit costs are often taken from published indexes of construction costs, such as R. S. Means, or they may be taken from costs on previous construction projects, or they may be information from sub-contractors or suppliers.

6. The cost estimator will then multiply the quantities of construction work determined in step number four, above, by the unit costs for the construction work determined in step number five, above. The result will be the base cost for the construction work.

7. The base cost for the construction work will then be marked-up for the general contractor's overhead and profit margins.

8. Various miscellaneous costs will be added to the cost of the construction job, such as the cost of building permits, temporary utilities, insurance, etc. The resulting cost will be the overall construction cost from the general contractor.

9. Various miscellaneous telephone company costs will be added to the above general contractor construction cost. These costs will normally include the cost of the telephone company project architect's or engineer's time spent managing the project; the cost of any non-telephone company consultants, such as architects or engineers who prepare the detailed construction drawings and specifications; the cost of the telephone company hired "project representative" who will observe the job in the field for the telephone company project architect/engineer and various miscellaneous costs. These miscellaneous costs include such items as the cost of reproducing drawings and specifications for the contractor and travel expenses to and from the construction job site by the telephone company project architect/engineer.

10. The bottom line total of the above costs is the estimated cost of the construction project.

11. An alternative method which is sometimes used in lieu of steps number four through eight, above, is to hire a contractor to prepare an estimate of the general contractor cost of the construction work. However, steps number one through three and steps number nine and ten are still needed even if this alternate method is employed.

Collocation Building Issues"Cage" Costs

Rate Element (A)

"Wire Cage" - The "cage" is 100 square feet in area, is approximately 10 feet by 10 feet and is designed to accommodate Central Office (CO) equipment. It either has a top at 8 feet above the floor or it extends up to the ceiling. It has a door equipped for a pad-lock, framed openings for cables to enter and is built of wire mesh or other materials to meet the needs of the CO equipment.

HVAC - The "cage" has a heating, ventilating, air conditioning (HVAC) diffuser above it to provide conditioned air for the CO equipment.

"Other" Costs - These costs include other items such as asbestos removal, other removal work, etc.

"House Electric" Costs

Rate Element (B)

Electrical and EWFD - The "cage" has two 115 volt a.c. convenience outlets - for wiring guns, test sets, etc. It has two, two-tube fluorescent light fixtures with 40 watt lamps and an Early Warning Fire Detection (EWFD) head for fire detection. These items all include necessary conduit and wire plus electrician labor to install same. In some cases, the conduit and wire runs from the interconnector's cage to the nearest lighting/power distribution panel which could be some distance from the collocation space. Conditions vary from building to building.

Building "Build-Out" Costs

Rate Element (Q) Tenant Accommodation Charge (TAC)

CO buildings were divided into three basic categories (small, medium and large) to develop average "build-out" costs to cover all COs. SWBT has a large number of small COs - including Community Dial Offices (CDOs), a significant number of medium sized COs - such as typical No. 1 ESS buildings and a limited number of large COs such as Toll Buildings.

SWBT developed costs based on both prospective and embedded cost information using 27 of the 127 buildings included in the (2/16/93) tariff. These 27 buildings were analyzed and averaged by building type to develop a TAC for each of the 127 buildings.

Since "build-out" work costs will usually vary with CO size, design solutions were developed for different sized COs. These three categories (small, medium and large) cover almost all COs. COs which fall between categories were assigned to the design solution which most closely describes the work needed to accommodate an interconnector. Each category was then separated into two types. (e.g. 1S and 2S, 1M and 2M, 1L and 2L) The 1S, 2M and 2L types designate buildings that will permit direct access to the interconnector's collocation space via an encoded card access system. Types 2S, 2M and 2L designate buildings where a security escort will be required. NOTE: SWBT's tariff filing of February 16, 1993 included only one type 2S building. Refer to attached floor plans depicting each design solution.

Design Solution "1S" - For small buildings with less than 20,000 Net Access Lines (NALs). It applies to CDOs and small COs of about 1,500-13,000± square feet. This solution includes either a "cage" in a corner of the building with a door from the "cage" to the exterior of the building; or constructing a

carrell space (i.e., a very small CO equipment switchroom) in which several "cages" can be located along with a door to the exterior of the building from the carrell. Included is HVAC for the space and CO building alarms - such as commercial power failure, high and low temperature, etc. The door to the exterior of the building has an encoded card access system to provide a record of who goes into and leaves the building - for security purposes.

Design Solution "1M" - For COs with more than 20,000 NALs. It applies to No. 1 ESS type COs, most typically two (or three) stories with a basement. A carrell space for individual "cages," similar to "1S," is constructed with HVAC and CO alarms. A controlled path of ingress/egress, which will often be a walled-off hallway, is constructed from the carrell space to the CO's exterior and an exterior door is equipped with an encoded card access system, similar to "1S." This path allows the interconnectors to reach their "cages" in the carrell space without going through SWBT CO equipment space - for network security.

Design Solution "2M" - For COs similar in size to solution "1M." A carrell space for individual "cages," similar to "1S," is constructed with HVAC and CO alarms, but no encoded card access system is used and no controlled path of ingress/egress is provided. A security escort is provided to take interconnectors from the CO's exterior to the carrell space with their "cages;" and to take them back out of the CO.

Design Solution "1L" - For COs with more than 20,000 NALs. It applies to large COs and Toll Buildings, such as Little Rock Toll, Wichita Toll, etc. Toll Buildings are generally multi-story COs, often with elevators. A carrell space for individual "cages," similar to "1M" is constructed with HVAC and CO alarms. A controlled path of ingress/egress is constructed from the carrell space to the CO's exterior and an exterior door is equipped with an encoded card access system similar to "1M."

Design Solution "2L" - For COs similar to "1L." A carrell space for individual "cages," similar to "1M," is constructed with HVAC and CO alarms, but no encoded card access system is used and no controlled path of ingress/egress is provided. A security escort is provided to take the interconnectors from the CO's exterior to the carrell space with their "cages;" and to take them back out of the CO.

"Floor Space" Rental Costs
Rate Element (C)

A rate was developed to charge for floor space according to the following:

1. Take the average cost per square foot of floor space for "Telephone Exchange" buildings from R. S. Means. This number is \$107.90 per square foot, the average of the range of \$43.35 - \$172.50 per square foot of floor space for this type building.

2. Take the average cost per square foot of floor space for "Office" buildings from R. S. Means. This number is \$62.58 per square foot, the average of the range of \$33.25 - \$91.90 per square foot of floor space for this type of building.

3. A ratio was developed of how much more expensive a "Telephone Exchange" building is to construct than an "Office" building is to construct. The resulting escalation factor shows a "Telephone Exchange" building is 1.72 times more expensive to construct than an "Office" building; i.e., \$107.90 per square foot cost ("Telephone Exchange" buildings) is divided by \$62.58 per square foot cost ("office" buildings) and equals 1.72.

4. The yearly total rental rates for all downtown office space in areas served by SWBT were taken from the "1992 Building Owners and Managers Association (BOMA) Experience Exchange Report." There are only a limited number of cities listed in the BOMA guide; all the cities listed in the territory served by SWBT were averaged by state to develop a state BOMA yearly floor space rental cost. The state averages floor space rental costs were then multiplied by the escalation factor (1.72) developed in step three, above, to give an adjusted yearly rental rate per square foot of floor space in telephone exchange buildings.

7.E - FIGURES - DESIGN SOLUTION FLOOR PLANS

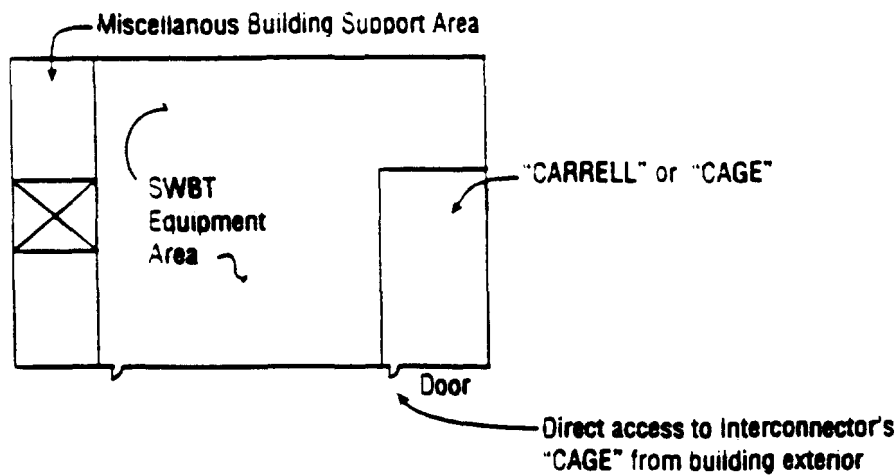
The following Figures depict a typical floor plan for each of the Design Solutions used to categorize each of the 127 buildings.

Note: The prefix numeral 1 or 2 in each building type (i.e. 1S, 2L) indicates:

- 1 - "cage" area is accessible without a "security escort"
- 2 - "cage" area requires a "security escort" for access

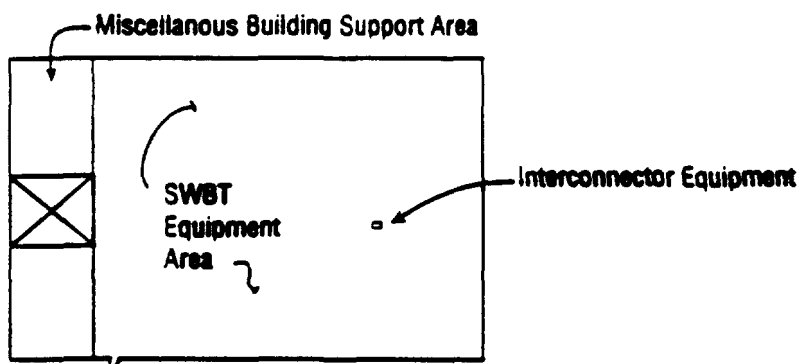
The letter S, M or L indicates:

- S - Small Building
- M - Medium Building
- L - Large Building



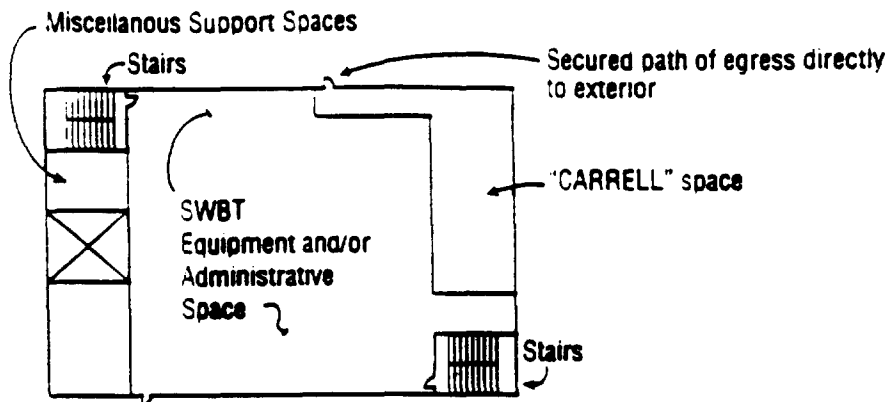
Build "CAGE(s)"/"CARRELL" in this central office and provide an alarmed exterior door into the space. Provide HVAC, electric & alarms as required. (Provide an encoded card access exterior door alarm System - typical for all alarmed exterior doors.)

Figure 7.E.1 - Design Solution No. "1S"
(Small Buildings)



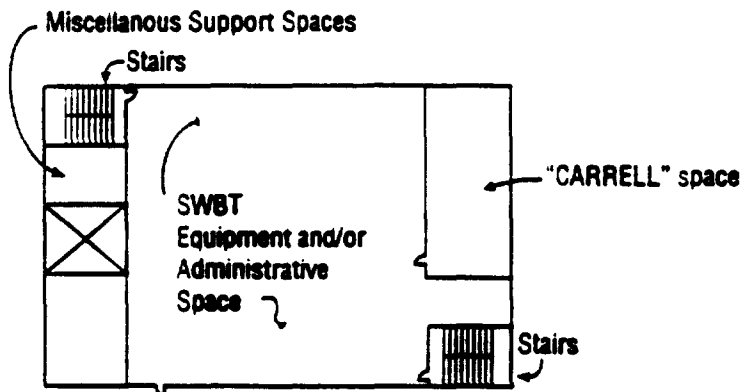
Don't build "CAGE" or "CARRELL". Provide HVAC, electric & alarms as required. Provide a company "Security Escort" for the Interconnectors to their equipment. Do not alarm the exterior door.

Figure 7.E.2 - Design Solution No. "2S"
(Small Buildings)



Build "CARRELL" space in a medium size company building, to hold Interconnector "CAGES". and build a secured path of egress to the exterior of the building. Provide HVAC, electric & alarms as required. alarm the exterior door.

Figure 7.E.3 - Design Solution No. "1M"
(Medium Buildings)



Build "CARRELL" space in a medium size company building, to hold interconnector "CAGES". and provide a "Security Escort" from the exterior to the "CARRELL" for the Interconnector. Provide HVAC, electric & alarms as required. Do not alarm the "CARRELL" space door or the exterior door.

Figure 7.E.4 - Design Solution No. "2M"
(Medium Buildings)